

## 1. Introduction

With a view to strengthen the regulatory framework for inoperative accounts and unclaimed deposits, Reserve Bank of India, vide their circular DBOD No. Leg. BC.34/09.07.005/2008-09 dated August 22, 2008 had issued detailed instructions to banks on dealing with unclaimed deposits/ inoperative accounts. Further, vide its circular DBOD. No. Leg.BC.81/09.07.005/2011-12 dated February 7, 2012, banks were advised to display the list of unclaimed deposits/ inoperative accounts which were inactive/ inoperative for ten years or more on their respective websites.

With the insertion of Section 26(A) in the Banking Regulation Act 1949, RBI vide its circular DBOD. No.DEAF Cell.BC.114/30.01.002/2013-14 dated May 27, 2014 advised banks to remit the amount to the credit of any account maintained with the bank which has not been operated upon for a period of 10 years or any deposit or any amount remaining unclaimed for more than 10 years shall be credited to the Fund called "The Depositor Education and Awareness Fund" (DEAF). The depositor would, however, be entitled to claim from the bank their deposit or any other unclaimed amount or operate their account after the expiry of ten years, even after such amount has been transferred to the Fund. The bank shall pay the amount to the depositor/ claimant and subsequently claim refund of such amount from the Fund/ RBI.

With a view to further strengthening the regulatory framework for inoperative accounts and unclaimed deposits, banks have been advised to put in place a Board approved policy on classification of unclaimed deposits; grievance redressal mechanism for quick resolution of complaints; record keeping and periodic review of such accounts.

This policy shall be in supersession of all previous guidelines issued by the bank on unclaimed deposits/ inoperative/ dormant accounts.

## 2. Objective of the Policy

The objective of the policy is to put in place a framework for classification of inoperative accounts /unclaimed deposits, grievance redressal mechanism for quick resolution of complaints related to inoperative accounts, record keeping and periodic review of these accounts.

## 3. Scope of the policy

The policy covers guidelines and procedures for dealing with Inoperative/ Dormant accounts and unclaimed deposits.

## 4. Classification of accounts as Inoperative/ Dormant

**4.1.** The Bank will review on a monthly basis all Savings Bank and Current accounts to identify the accounts wherein there are no operations for more than 21 months. A letter/ SMS/ E-mail, etc. will be sent to all such account holders, conveying that their account(s) would be flagged as inoperative/ dormant if not operated within next 3 months, specifying the implications relating to "Inoperative/ Dormant" flagging.

- 4.2. Bank will review on a monthly basis all Savings and Current accounts and identify accounts where there have been no operations for more than 24 months and flag them as “Inoperative/ Dormant Account”.
- 4.3. For the purpose of classifying an account as “inoperative/dormant” both the type of transactions debit as well as credit transactions, induced at the instance of customers and third party shall be considered. Monthly and Quarterly interest on term deposit and/ or dividend on shares credited to deposit accounts as per the mandate of the customer, shall be considered as customer induced transaction for this purpose. However, the service charges levied by the bank or interest (payable on the balances of account itself) credited by the bank shall not be considered for this purpose.
- 4.4. In case any reply is given by the account holder giving the reasons for not operating the account, bank shall continue to classify the same as an operative account for one more year within which period the account holder shall be requested to operate the account. However, in case the account holder still does not operate the same during the extended period, bank shall classify the same as inoperative/ dormant account after the expiry of the extended period.
- 4.5. Periodic interest on savings bank accounts shall be credited on regular basis whether the account is operative or inoperative/ dormant.
- 4.6. In case a Term Deposit matures and proceeds are unpaid, the amount left unclaimed with the bank will attract Savings bank rate of interest (Refer internal guidelines - Master Circular on Interest Rate on Deposits issued vide CSFB Cir. No.2016-17/OPS/009 dated Aug 09, 2016).

## 5. Follow-up with customers

- 5.1. Branches shall enquire to find out the whereabouts of customers where response is not received by the bank on the letters/ SMS/ E-mail, etc. sent to the customer’s registered contact details.
- 5.2. Branches would endeavor to contact the account holder through his contact details available as per records,
- 5.3. In case the customer is not contactable, the branch will try to ascertain the whereabouts of the customer through the account sourcing executive / Employer/ any other person whose details are given in the account opening form, etc.
- 5.4. In case it is known that the account holder is deceased, the branch would contact the nominee/ legal heirs and extend all necessary help for settlement of claim.
- 5.5. For NRI Accounts, the branch will contact the customer through email and obtain confirmation of details of account.

## **6. Activation of Inoperative/ Dormant Accounts**

Operation in inoperative/ dormant accounts shall only be allowed after due diligence as per risk category of the customer.

- 6.1.** Due diligence means ensuring the identity of the account holder based on latest KYC documents (branches shall obtain latest address proof, id proof, passport size photograph and customer profile as per the Bank's KYC Policy), verification of the signature, genuineness of the transaction etc.
- 6.2.** The inoperative/ dormant status shall be modified to active status on the specific request of the account holder.
- 6.3.** Account holder shall have to approach the branch in which the account is maintained (base branch) and submit an application for reactivation of the account along-with latest KYC documents and passport size photograph. The application for reactivation of account shall have to be duly approved by the Branch Head.
- 6.4.** Branches shall ensure that the customer is not inconvenienced as a result of extra care taken by the bank.
- 6.5.** No charges shall be levied to the account for re-activation of the inoperative/ dormant account.
- 6.6.** Once the account is reactivated in the system, branch shall guide the account holder to perform a financial transaction (Debit or Credit) in the account on the same day. In case the financial transaction is not performed by the account holder the same day, the account status shall again be changed to inoperative/ dormant.

## **7. Audit/ Monitoring of Inoperative/ Dormant Accounts**

- 7.1.** The amounts lying in inoperative accounts shall be properly audited by the internal auditors/ statutory auditors of the bank.
- 7.2.** The segregation of the dormant accounts by the bank is done from the point of view of reducing risk of frauds, record keeping and periodic review of accounts.
- 7.3.** The classification is there only to bring to the attention of dealing staff, the increased risk involved in account classified under such category. The dealing staff shall, accordingly, be more cautious while ensuring the identity of the account holder and following proper due diligence measures.
- 7.4.** The transactions in all such accounts shall be monitored by the Operations Risk and Compliance department, Head Office in coordination with the branch both from the point of view of preventing fraud and making a Suspicious Transactions Report.

## **8. Accounts opened under various Government Schemes for credit of Scholarship and Direct Benefit Transfer**

Bank has allotted a dedicated “Account type” in the CBS system for all such Savings bank accounts that are to be opened under various Central/ State Government Schemes to receive Scholarship and other Direct Benefit Transfers (other than LPG subsidy). All such accounts opened by the bank does not have any stipulation of conversion to inoperative/ dormant status due to non-operation in the account. Refer - Guidelines on opening of Savings bank accounts under various Government Schemes for credit of Scholarship amounts and Direct Benefit Transfer issued vide CSFB Cir.No.2018-19/OPS/061 dated Feb 27, 2019.

## **9. Unclaimed Deposits**

**9.1.** An account (Savings and/ or Current) which has not been operated upon (subject to conditions as specified in clause 4 above) for 10 years and more from the date of last operation and a term deposit account which is not renewed/ withdrawn after 10 years or more from the date of maturity shall be classified as unclaimed deposits. Further, Demand Drafts/ Pay orders which are unpaid for over 10 years shall also be classified as unclaimed.

**9.2.** The accounts classified as “unclaimed deposits” shall be flagged as “Inoperative/ Dormant” in the system. Any Debit operation in the account should be allowed after activating the account by following procedure as mentioned in clause 6 above.

**9.3.** In tune with the directions of RBI, bank has displayed the name and address of such depositors under the heading “Inoperative Accounts” on the homepage of the bank’s website [www.capitalbank.co.in](http://www.capitalbank.co.in). In case a depositor/ customer wants to know whether his/her name is available in the published list, he/she can ascertain the same through the “search” option.

### **9.4. Insertion of Section 26(A) in the Banking Regulation Act 1949**

- a)** Under the provisions of the above section, bank shall remit the amount to the credit of any account maintained with the bank which has not been operated upon for a period of 10 years or any deposit or any amount remaining unclaimed for more than 10 years shall be credited to the Fund called “The Depositor Education and Awareness Fund” (DEAF).
- b)** The depositor would, however, be entitled to claim from the bank their deposit or any other unclaimed amount or operate their account after the expiry of ten years, even after such amount has been transferred to the Fund. The bank shall pay the amount to the depositor/ claimant and subsequently claim refund of such amount from the Fund/ RBI.
- c)** The Operational procedure for remittance of funds and claim of refund from the Fund/ RBI under the above section shall be as per the Board approved policy on Operational procedure for implementation of DEAF scheme, 2014 prepared in accordance to the RBI guidelines issued vide DBOD.No.DEAF Cell.BC.114/30.01.002/2013-14 dated May 27, 2014.

## 10. Process for claim of unclaimed deposits by the depositor/ claimant

### 10.1. Claim from Customers

- a) The customer may approach the branch in which the account is maintained (base branch) and submit an application (**Annexure I**) for amount of unclaimed deposit;
- b) The claim application shall be supported with the details of the deposit (Passbook/ FDR/ any other documentary proof);
- c) The customer shall have to submit his latest photograph along with the latest valid Identity and address proof (KYC) document.
- d) In case of other entities, claim has to be submitted on Company's letter head duly signed by the authorized signatories along with valid ID and address proof of the entity and of the authorized signatories.
- e) The customer shall be eligible to operate his account after the expiry of ten years, even after the amount available in such account was transferred by the bank to the Fund/ RBI due to non-operations in the account for 10 years.

### 10.2. Claim from Legal heir/ Nominee

- a) Legal heir/ Nominee may approach the base branch and submit application (**Annexure I**) for amount of unclaimed deposit;
- b) The application shall be supported with the details of deposit (Passbook/ FDR etc.);
- c) Latest photograph along with valid ID and address proof document of the Legal heir/ Nominee;
- d) Copy of the death certificate of Deposit holder and other relevant legal documents (for detailed process and production of required documents as per the policy on "Settlement of Death Claims" by visiting the base branch.

**10.3.** At the time of submission of claims, the original documents have to be produced for the purpose of verification at the branch.

**10.4.** Bank shall repay the customer/ depositor along with interest, if applicable, and lodge a refund claim from the Fund/ RBI for an equivalent amount paid to the depositor.

## 11. Redressal of Complaints and Grievances

**11.1.** In case of any complaint, the matter may first be brought to the notice of concerned Branch Manager for immediate redressal.

**11.2.** If the complaint is not redressed to the satisfaction of the customer, the matter may be taken up with the Nodal Officer of the bank designated to deal with Customers' Complaints/ Grievances giving full details of the case.

**11.3.** If the complainant still feels unsatisfied with the response received, he can escalate his complaint to bank's Principal Nodal Officer.

- 11.4.** In case the customer does not get response from the Bank within 30 days from date of complaint or he is not satisfied with the response received from the Bank, he has a right to approach the Banking Ombudsman appointed by the Reserve Bank of India.

For complete details, customer may please refer the bank's "Grievance Redressal Policy" available on the bank's website.

**12. Preservation of Records**

Branches shall continue to preserve all the records, documents relating to such accounts as per "Record Preservation and Archival Policy" of the Bank.

**13. Periodic Review of Accounts**

The position of Unclaimed Deposits/ Inoperative Accounts shall be reviewed by the Operation Risk Management Committee (ORMC) on a half yearly basis.

**14. Review of the Policy**

The Policy shall be subject to an annual review by the bank's Board. Bank reserves the right to amend/modify this Policy, as and when deemed fit and proper, at its sole discretion. This policy shall be valid till the time of its next review.

**Unclaimed Deposits/ Inoperative Accounts – Application Claim Form**

Dated: \_\_\_\_\_

The Branch Manager

Capital Small Finance Bank Ltd.

Branch \_\_\_\_\_

From \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Dear Sir/ Madam,

I/We, Mr./Mrs./Ms. \_\_\_\_\_  
\_\_\_\_\_ in the capacity of

Self

Nominee

Legal Heir

Others (please specify) \_\_\_\_\_

request for settlement of claim, for deposit account(s) held with your Bank in the names(s) of Mr./ Mrs. / Ms. \_\_\_\_\_

**Claim details:**

Name of Deposit Holder: \_\_\_\_\_

Account No. Details: \_\_\_\_\_

Communication Address: \_\_\_\_\_

I/ We understand that the claim will be settled post due diligence and authentication of documents as per the Bank’s policy and guidelines.

• **Identity Proof**

Passport

Aadhaar

Driving License

Voter Card

Others, if any \_\_\_\_\_

• **Documentary Evidence in support of Claim**

Passbook

Cheque Book

Deposit Confirmation Advice

Others, if any \_\_\_\_\_

Signature of Applicant(s): \_\_\_\_\_

Name: \_\_\_\_\_

**Customer Acknowledgment slip (to be filled in by Bank official)**

Date: \_\_\_\_\_

Received a request from Mr./Mrs./Ms./Dr. \_\_\_\_\_,  
for claiming Unclaimed Deposits / Inoperative Accounts.

Signature of Bank Official with Bank seal \_\_\_\_\_